



## Coats' Charitable Donations and Sponsorship Policy

Policy owner/ issued by	Approved by	Date issued/ reviewed	Effective from	Next review	Next independent review
Coats Cares Project Manager	Chief HR Officer		Immediately	Dec 2026	Dec 2026

Coats is committed to being a good corporate citizen and an active member of the local communities in which it operates. As a part of this commitment, individual business units will sometimes make donations to local charitable organisations or sponsor local community groups.

The purpose of this policy is to make sure that all Coats' charitable donations and sponsorships are aligned with our approach to Coats Cares -, our Code of Ethics, our Anti-Bribery and Anti-Corruption Policy, our HR policies, as well as our wider Corporate Responsibility (CR) approach.

### Scope

This policy is concerned only with *financial* assistance given to external organisations. This assistance may, or may not, be part of a much broader community engagement programme involving employee volunteering or other 'in-kind' support.

Donations of money generated by specific fund-raising activities are exempt from this policy, but should adhere to the guidelines detailed in the document "Coats' - Cares Approach".

'In-kind' donations such as dormant thread, transport, lunches, event t-shirts, etc. are also exempt from this policy.

The policy applies globally, to all Coats business units, and covers all donations and sponsorships which have a charitable or CR purpose.

Commercial sponsorships which are designed primarily to promote the Coats brand / image / reputation and further business goals are not covered by this policy. Personal donations or sponsorships made by individual employees out of their own funds, and which do not require any matched corporate funding, are also excluded from the scope of this policy.

### Definitions - Charitable Donations and Sponsorships

A **charitable donation** is a *financial* contribution to the work of an external charitable or not-for-profit organisation which does not seek any commercial or other benefits in return for Coats. Usually Coats will have no particular control over what the money is used for. However the organisation must guarantee it is for a charitable aim. So, to clarify, we are specifically referring to money in the form of a cheque drawing funds from a Company bank account – i.e. not money which has been collected by employees organising specific fund-raising activities, nor 'in-kind' donations such as dormant thread, lunches, event t-shirts, etc.

**Charitable sponsorship** is similar to a donation, but with some benefit in return for Coats. These benefits could be the development of intellectual property, e.g. part-funding of a piece of research on water-efficiency, or simply having

the Coats name associated with a particular initiative, e.g. a charity race. The benefits received by Coats must not be disproportionate to the level of funds given.

Coats business units should only enter into charitable sponsorship agreements with organisations whose values, practices and products are in accordance with Coats strategic aims and values. When proposing a sponsorship relationship, please consider how it fits with our CR approach and our HR policies, as well as Coats' brand goals of being global, expert and pioneering.

**Commercial sponsorship**, which is not covered by this policy, differs in that it is the contribution of funds to an organisation or activity with the expressed intention of building awareness of the Coats brand and achieving defined marketing objectives. In this case the organisation need not be charitable, nor do the events have any charitable purpose, e.g. sponsoring an industry conference or arts organisation, strategic partnerships, competition, educational institutes/ universities. The sponsorship should have very clear and measurable objectives in order to evaluate effectiveness.

For more guidance on commercial sponsorships please contact the Group Marketing -  
**Policy conditions**

- ALL charitable donations/sponsorships, whatever their value, must be submitted to the Charitable Donations Committee for prior approval. The Committee comprises the Chief Human Resources Officer, the Legal Director and the Group Sustainability Director.

Prior to submitting to the Committee for approval, the business unit should ensure that any proposed charitable donation/sponsorship:

- be in line with Coats' Cares Approach
- be in line with Coats' HR policies
- comply with Coats' Code of Ethics
- comply with Coats' Anti-Bribery and Anti-Corruption Policy
- comply with relevant local and international laws, which include but are not limited to: the UK Charities Act 2006, the US Foreign and Corrupt Practices Act 1977 and the UK Bribery Act 2010
- attract no commercial gain, or appearance of commercial gain for Coats
- not be made or offered in any way that is connected to prospective business relationships or contract renewals

Coats business units must not donate or sponsor:

- projects prohibited by law or regulation
- political or campaigning organisations
- religious organisations where the principal aim of the activity is to propagate a particular faith or belief
- individuals, unless through or closely linked to a permitted third party organisation
- any non-charitable organisations unless for charitable purposes

**If you have any question, please consult your Coats Cares Ambassador or Sounding Board Member or Project manager .**